

KANSAS RACING AND GAMING COMMISSION

MINUTES – JULY 22, 2022

CALL TO ORDER
(A.)

Chairman David Moses called the July 22, 2022, meeting to order at 10:00 a.m. The meeting was held at the Downtown Ramada in Topeka, Kansas. Notice of this meeting was given to the public via the KRGC and Public Square websites. Commissioners Brandon Jones, Larry Turnquist, Kelly Kultala, and Sheryl Spalding were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Security Roger Bailey, Director of Sports Wagering Todd Allen, and other staff.

MOTION, APPROVE
AGENDA
(B.)

Commissioner Jones (Kultala) moved to amend the agenda so that Old Business would immediately follow and to approve the agenda as otherwise printed. Motion carried 5-0.

COMMISSION ITEMS –
OLD BUSINESS
(C.)

Charles Bartlett M.S.W., Director of Adult Services at the Kansas Department of Aging and Disability Services, gave a presentation regarding appropriations of the Problem Gambling and Other Addictions Grant Fund in FY 21.

- In FY 21 the Problem Gambling and Other Addictions Fund received \$7.5 million. \$600,000 was appropriated to Problem Gambling Services, other expenditures include Medicaid Mental Health, KDADS/AAPS Grants, Administration, Transfer to Community Correction, and a transfer to the Governor's Office.
- The Northeast Regional Taskforce for the Kansas Coalition on Problem Gambling was disbanded due to funding management. Staff are currently working to reinstate a taskforce in the region.
- Commissioner Kultala questioned the funds allocation totals across expenditure categories on the FY21 PGAOF Distribution slide (\$7.5 million reported total vs. \$9.85 million calculated total), and Mr. Bartlett agreed to consult with his fiscal group about the discrepancy and report back.

MOTION, APPROVE
June 10, 2022
MEETING MINUTES
(D.)

Commissioner Spalding (Turnquist) moved to approve the minutes of the June 10, 2022 meeting. Motion carried 5-0.

MOTION, APPROVE
CONSENT AGENDA
(E.)

Commissioner Kultala (Jones) moved to approve the consent agenda (six items). Motion carried 5-0.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; BOOT
HILL CASINO & RESORT
(F.1.a.)

Diane Giardine, General Manager, reported:

- June 2022 revenue numbers compared to June 2021:
 - Total gaming revenue down 3.46 %
 - Total slot revenue down 7.51%
 - Table games revenue up 55.59%
- Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - Gameboard Prizes
 - Great Summer Grill Giveaways Saturdays in June
 - Dodge City Days Ranger UTV Giveaways
 - VIP Promotions
- Upcoming Entertainment & Events
 - SW Storm (Arena Football) – June 4
 - \$100,000 Summer Fun Jackpot
 - Jackpot Party – July 4
 - Jon Pardi (Dodge City Days Concert) – July 30
 - Rodeo – August 2nd through 7th
 - Boothill Casino Longhorn Cattle Run - August 6th
 - Amanda Miguel & Ana Victoria – October 14
 - Los Angeles Azules – October 23
 - Jake Owen – November 5
 - Gloria Trevi – November 6
- Semi-Annual Responsible Gambling Report
 - As of June 30, 249 active employees
 - Between January 1st and June 30th, there was 71 new hires
 - 66 new employees completed TIPS training
 - 26 existing employees recertified TIPS testing
 - All active employees are scheduled to complete annual refresher training for TIPS/Responsible Alcohol Service by the 4th Quarter of 2022.
 - BHCMC, LLC has 4 certified TIPS Trainers on property.
 - 71 new hires have taken Responsible Gaming during the reporting period.
 - All active employees are scheduled to complete annual refresher training for Responsible Gaming by the 4th Quarter of 2022.
 - 2 VEPs refused entry
 - 5 VEPs removed from casino floor
 - 14 intoxicated patrons were refused entry
 - 58 intoxicated patrons were removed from the casino

- 191 minors were refused entry
- 271 patrons were refused entry due to not having an ID
- 147 patrons were refused entry due to having an invalid ID
- Since June 10th, there have been 15 positive cases of COVID

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(F.2.a.)

Jeff Babinski, Vice President and General Manager, reported:

- Admissions down 12.5% compared to June 2021
- June 2022 revenue numbers compared to June 2021:
 - Total gross gaming revenue down 10.5%
 - Slot coin-in down 10.1%
 - Slot hold down 0.45 pts
 - Table games drop down 1.6%
 - Table games hold up 3.4 pts
- Past Events and Promotions:
 - Free Play Bonus offers every Friday and Saturday
 - Queen-size blow-up mattress giveaway - June 11
 - VIP hosted event - June 26
 - Southern Plains Wrestling – June 3-5, 2022
 - Ricky Skaggs – June 18, 2022
 - Tuan Hung Nguyen – July 9, 2022
 - Big and Rich – July 15, 2022
- Upcoming Events and Promotions:
 - Ted Nugent – August 5, 2022
 - Brantley Gilbert – September 2, 2022
 - Oak Ridge Boys – September 23, 2022
 - Third Eye Blind – October 22, 2022
 - National Final Steer Roping – November 4-5, 2022
 - Farm Expo – December 1-3, 2022
- Semi-Annual Responsible Gambling Report
 - 116 new employees completed Responsible Gaming and Alcohol Awareness trainings with an emphasis on the Voluntary Exclusion Program.
 - All front of house food and beverage staff, security staff, valet staff, slot floorperson staff and above, table games dealers and above, surveillance staff, and directors completed the ServSafe training.
 - As of June 30, 2022, Kansas Star Casino had 635 active team members
 - All staff undergo an annual refresher Responsible Gaming training.
 - 119 underage individuals were denied access to the gaming floor

- 530 people were denied access for not having an ID
- 336 people were denied access for having an invalid ID
- 103 intoxicated individuals were denied access to the gaming floor
- 2 VEPs were denied access to the gaming floor
- 173 intoxicated individuals were ejected from the casino
- 9 VEPs were removed and turned over to KRGC agents
- 3 underage persons were ejected from the casino
- 135 persons were removed from the casino for various reasons
- 602,389 guests entered the casino floor
- Security checked 79,412 IDs.
- Kansas Star Casino was a sponsor of the 19th Annual Virtual Midwest Conference on Problem Gambling and Substance Abuse which took place June 15-16, 2022. Kansas Star Casino provided a Premiere Scholarship at \$5000.00.
- Since June 10th, there have been 30 positive cases of COVID and 15 staff have quarantined for precautionary measures.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(F.3.a.)

Rick Skinner, Vice President & General Manager, reported:

- Admissions were down 8.4% compared to June 2021
- June 2022 revenue numbers compared to June 2021:
 - Total gross gaming revenue increase 1.8%
 - Slot revenue down 0.4%
 - Table games revenue up 25.4%
- Recent/Upcoming Events and Promotions:
 - June 18 – Father’s Day Giveaway
 - June 18 – 10 Year \$200K Drawing
 - June 24 – Drop and Win
 - June 25 - \$50K Jackpot Party
 - July 1 – Mychoice mysummer Kickoff
 - July 1 – Crazy about Spades
 - July 8 – Closet Clean Out
 - July 9 – Summer Sippin Table Games Giveaway
 - July 9 – Email Pick Pull & Win
 - July 11 – Christmas in July
 - July 28 – Money Booth
 - July 30 – Winners Party
 - August 1 – Crazy K9s Table Games Giveaway
 - August 4 – Take It or Leave It
 - August 13 – Free Gas for a Year

- September 11 – Hollywood 400 presented by Bar Stool Sports Bar
- Semi-Annual Responsible Gambling Report
 - As of June 30, 2022, Hollywood Casino had a total of 331 employees, 90 employees were hired during the reporting period.
 - All new hires completed Responsible Gaming training.
 - 35 new hires completed TIPS training, 33 existing employees refreshed their TIPS training
 - Denied access to 40 minors, 1 minor was ejected from the casino
 - Denied access to or removed from the property 181 intoxicated individuals
 - Referred 23 VEPs to KRGC for processing
- Since June 1st, there have been 12 positive cases. Three staff members are currently quarantined.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(F.4.a.)

Jeff McKain, General Manager, reported:

- Admissions up 8.3% compared to June 2021
- June 2022 revenue numbers compared to June 2021:
 - Coin in up 4.4%
 - Table games drop up 9.2%
 - Net gaming revenue up 7.0%
- Events and Promotions:
 - June
 - Kiosk Multipliers games every Tuesday.
 - Camp 49 Hot promotional specials every Wednesday.
 - Casino Hot Seats every Thursday.
 - Table Game Hot Seats every Friday.
 - Cash is King promotion Friday the 24th.
 - Casino Gift Day every Saturday.
 - Puddle of Mudd concert Saturday the 4th.
 - MMA sports event on Saturday the 18th.
 - Bonus gift day on Sunday the 26th.
 - July
 - Retail promotions of Monday July 4th.
 - Kiosk Multiplier games every Tuesday.
 - Camp 49 Hot promotional specials every Wednesday.
 - Casino Hot Seats every Thursday.
 - Table Game Smash and Grab promotion every Friday.
 - Summertime Spins promotion every Friday.
 - Scott McCreery outdoor concert Friday the 29th.
 - Casino gift day every Saturday.
 - Card Shark promotion every Saturday.

- Cash is King promotion Saturday the 30th.
- Semi-Annual Responsible Gambling Report
 - As of July 1, 2022, Kansas Crossing Casino had 200 active team members
 - 26 new hires received their TIPS training, 12 existing team members recertified, 5 staff members are pending certification
 - All staff have received the Responsible Gambling training in 2022
 - Kansas Crossing participated in Responsible Gambling Education Week in March 2022. KCC had activities to improve team member knowledge and stress the importance of Responsible Gambling for the casino and the community. KCC team members wore Responsible Gambling Awareness buttons and had a Responsible Gaming related quiz for team members.
 - 43 minors were refused entry to the casino
 - 26 intoxicated patrons were refused entry to the casino, 14 intoxicated patrons were removed from the casino
 - 5 VEPs were removed or excluded from the casino
 - 40 patrons were denied access due to invalid ID
 - 353 patrons were denied access due to not having an ID
- Since June 1st, there have been 14 positive cases of COVID, one staff member is currently in quarantine.

COMMISSION ITEMS –
NEW BUSINESS
(G.)

Executive Director, Don Brownlee and Director of Sports Wagering, Todd Allen, gave a report on the status of temporary sports wagering regulations.

- Staff was unable to prepare temporary regulations to submit for commission review. Initial sports wagering regulation drafts were created a few years ago when the legislature began discussing the topic. These regulations were shared with facility managers and contracted gaming labs for comment. The feedback received and the nuances in the legislation, require regulation drafts be updated. It is anticipated that updated regulations will be ready for review and possible approval at the August 12, 2022, commission meeting.
- Executive Director Brownlee suggested that Director of Sports Wagering Allen give an overview of the regulations at the next meeting. It was determined that commissioners would be provided with the existing regulations and that they could individually

contact Director Allen with any questions. All questions asked of Director Allen will be shared at the August 12th commission meeting.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1. and I.2.)

Garrett Rogers, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of July 2022.

Todd Allen, Director of Sports Wagering, reported:

- There was no additional information from what was shared in New Business.

Executive Director Brownlee reported:

- KRGC is working to fill positions related to sports wagering.
- KRGC has identified the primary platform companies from each of the lottery casinos and have requested the completion of the Business Entity Disclosure Form.
- KRGC has also identified the third-party vendors that work with those platforms and have requested they also complete the Business Entity Disclosure Form.
- Once the information is received and reviewed, a decision regarding the provisional license can be made.
- Governor Kelly's office is negotiating with the Prairie Band Tribe to modify their compact with the state to allow them to provide sports wagering.
- KRGC is updating regulations regarding parimutuel facilities to provide historical horse racing as approved in SB 84. There is not an anticipated submission date for the draft regulations at this time.
- Fiscal Year 2022 ended June 30th. Lottery revenue was up 7%.
- There is one racino planning to open a temporary facility in Nebraska in the Fall, another racino plans to open a temporary facility by year's end. A third facility is anticipated to open next spring.
- The next commission meeting is scheduled August 12, 2022, at the Eisenhower State Office Building at 10:00am.

- Chairman Moses suggested beginning the meeting at 9:00a.m. and scheduling a lunch break, anticipating that the meeting may run longer than normal.
- Chairman Moses asked if the new backgrounds would need extra time. Executive Director Brownlee answered No and explained that the process will be very similar to the existing background process.

MOTION, EXECUTIVE
SESSION; CONFIDENTIAL
BACKGROUND REPORTS
(J.1.)

Commissioner Turnquist (Spalding) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be twenty (20) minutes until 12:05 p.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 5-0, and the meeting was adjourned to executive session at 11:45 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 12:05 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE
(J.3.)

Commissioner Jones (Kultala) moved that the Commission go into executive session for the purpose of consulting with the agency's attorney on attorney-client privileged communications. In addition to the commissioners, the attorney-client privileged communications will include the executive director and general counsel. After discussion, the total time for the executive session was anticipated to be twenty-five (25) minutes until 12:30 p.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 5-0, and the meeting was adjourned to executive session at 12:05 p.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 12:32 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present. Chairman Moses noted that the executive session did end at 12:30 p.m., but logistical hurdles delayed the return to open session.

MOTIONS ON LICENSE
APPLICATIONS
(K.1.)

Commissioner Turnquist (Spalding) moved to *deny one* license application, *conditionally approve one* license applications, and *approve the remaining 205* license applications from the July 22, 2022, list of background reports referred to the commission for action. The motion carried 5-0.

OTHER BUSINESS

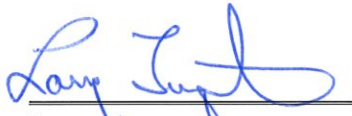
There were no other items for discussion or motion.

ADJOURNMENT
(L.)


Chairman Moses stated that the August 12, 2022 commission meeting will begin at 9:00 a.m. for an in-person meeting at the Eisenhower State Office Building.

Commissioner Kultala (Jones) moved to adjourn the meeting. Motion passed 5-0. The meeting was adjourned at 12:35 p.m.

SUBMITTED BY:


Larry Turnquist
Secretary

APPROVED BY:


David Moses
Chairman